

AMENDED IN SENATE AUGUST 2, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1592

**Introduced by Assembly Member ~~Nava Buchanan~~
(Coauthors: Assembly Members Huber and Nava)**

January 4, 2010

An act to amend Sections 19999.3, 21353, 21354.1, 21363.1, 21363.4, and 21369.1 of, and to add Sections 19829.7, 19829.8, 19829.9, 19829.95, 20037.14, 20677.6, 20677.7, 20677.9, 20677.95, and 21369.2 to, the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1592, as amended, ~~Nava Buchanan~~. State employees: memorandum of understanding.

(1) Existing law provides that if any provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees requires the expenditure of funds, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature in the annual Budget Act.

This bill would approve provisions that require the expenditure of funds for memoranda of understanding entered into between the state employer and State Bargaining Units 8, 16, and 19 and would provide that the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

The bill would provide that provisions of the memoranda of understanding approved by this bill that require the expenditure of funds will not take effect unless funds for these provisions are specifically appropriated by the Legislature, and would authorize the state employer and the affected employee organizations to reopen negotiations on all or part of the memorandum of understanding if the memorandum of understanding that requires the expenditure of funds is not approved by the Legislature.

This bill would, with respect to salaries that are continuously appropriated prior to the enactment of the annual Budget Act, require the Director of Finance to reduce the necessary items for the payment of salaries from specified funds scheduled in that Budget Act to reflect the salaries paid prior to the enactment of the annual Budget Act.

(2) Existing law establishes an alternate retirement program and provides that state employees, as defined, who become new members of the Public Employees' Retirement System (PERS) during their first 24 months of employment, do not make contributions to the system or receive service credit for their service, and the state employer shall not make contributions on their behalf. These members are instead required to contribute either 5% or 6% of their monthly compensation, as specified, to the alternate retirement program, administered by the Department of Personnel Administration, and these contributions cease when the state employees begin making their own contributions to PERS.

This bill would require all state employees participating in the alternate retirement system to contribute an amount equal to the same amount that employees in the same employment classifications in the same state bargaining units are required to contribute to PERS.

(3) The Public Employees' Retirement Law (PERL) provides a comprehensive set of rights and benefits based upon age, service credit, and final compensation. Existing law defines final compensation variously for different member classifications and bargaining units and, in this regard, defines final compensation for a state member for the purpose of calculating retirement benefits as the highest annual average compensation earnable by the member during a designated 12-month or 36-month period, depending upon the bargaining unit and classification of that employee. Currently the final compensation for members hired on or after July 1, 2006, who are represented by State Bargaining Units 12, 16, 18, and 19, means the final compensation earnable by the member during a designated 36-month period.

This bill would provide that final compensation for a person who becomes a state member, as specified, on or after October 31, 2010, and who is represented by State Bargaining Units 5 and 8, means the highest annual average compensation earnable by the member during a designated 36-month period.

(4) PERL provides that the contribution rate for state miscellaneous members and specified state safety members is 5% or 6% of the compensation in excess of \$513. Existing law provides that the contribution rate for specified state firefighters is 8% of compensation in excess of \$238 per month. Existing law provides that the contribution rate for specified state safety patrol members is 8% of the compensation in excess of \$863 per month.

This bill would increase the contributions rates by 5% for state miscellaneous members of State Bargaining Units 5, 8, 12, 16, 18, and 19 and state safety members of State Bargaining Units 12, 16, 18, and 19, and by 2% for state firefighter members of State Bargaining Unit 8 and state patrol members of State Bargaining Unit 5. By increasing member contributions into a continuously appropriated fund, this bill would make an appropriation.

(5) PERL establishes various retirement formulas that apply to specified membership categories. Under PERL, state miscellaneous members are generally subject to a retirement formula commonly known as 2% at 55, which, if the member retires at 55 years of age, yields a benefit equal to 2% of the member's final compensation multiplied by the member's years of service credit, as specified. Under PERL, patrol members and specified state peace officer/firefighter members are generally subject to a 3% at 50 retirement formula. Under PERL, state safety members are generally subject to a 2.5% at 55 retirement formula.

This bill would provide that state miscellaneous members who are first employed on and after the date the act takes effect, are subject to a 2% at 60 retirement formula. The bill would also provide that patrol members and firefighter members in State Bargaining Units 5 and 8 who are first employed on and after October 31, 2010, are subject to a 3% at 55 retirement formula.

(6) The annual Budget Act appropriates specified amounts from the General Fund, unallocated special funds, and unallocated nongovernmental cost funds, for state employee compensation.

This bill would, in the event that the annual Budget Act is not enacted prior to July 1 of each year covered by the memoranda of understanding for State Bargaining Units 5, 8, 12, 16, 18, and 19, provide for a

continuous appropriation for the amount necessary for the payment of compensation and benefits to members of those bargaining units.

(7) This bill would provide that its provisions would not become operative unless SB 653 of the 2009–10 Regular Session is enacted and takes effect on or before January 1, 2011.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law provides that a provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act.~~

~~This bill would approve provisions of memorandum of understanding entered into between the state employer and State Bargaining Unit 19 that require the expenditure of funds, and would provide that these provisions will become effective even if these provisions are approved by the Legislature in legislation other than the annual Budget Act.~~

~~The bill would provide that provisions of the memorandum of understanding approved by this bill that require the expenditure of funds will not take effect unless funds for those provisions are specifically appropriated by the Legislature, and would require the state employer and the affected employee organization to meet and confer to renegotiate the affected provisions if funds for those provisions are not specifically appropriated by the Legislature.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares that the*
- 2 *purpose of this act is to approve the provisions of agreements*
- 3 *pursuant to Section 3517.6 of the Government Code entered into*
- 4 *by the state employer and State Bargaining Units 8 (the California*
- 5 *Department of Forestry Firefighters), 16 (the Union of American*
- 6 *Physicians and Dentists), and 19 (the American Federation of*
- 7 *State, County, and Municipal Employees) that require the*
- 8 *expenditure of funds.*
- 9 *SEC. 2. The provisions of the memorandum of understanding*
- 10 *prepared pursuant to Section 3517.5 of the Government Code and*
- 11 *entered into by the state employer and State Bargaining Unit 8 on*

1 *June 16, 2010, State Bargaining Unit 16 on June 25, 2010, and*
2 *State Bargaining Unit 19 on June 16, 2010, and that require the*
3 *expenditure of funds, are hereby approved for the purposes of*
4 *Section 3517.6 of the Government Code.*

5 *SEC. 3. The provisions of the memoranda of understanding*
6 *approved by Section 1 of this act that are scheduled to take effect*
7 *on or after July 1, 2010, and that require the expenditure of funds,*
8 *shall not take effect unless funds for these provisions are*
9 *specifically appropriated by the Legislature. If the Legislature*
10 *does not approve or fully fund any provision of the memorandum*
11 *of understanding that requires the expenditure of funds, either*
12 *party may reopen negotiations on all or part of the memorandum*
13 *of understanding.*

14 *SEC. 4. Notwithstanding Section 3517.6 of the Government*
15 *Code, the provisions of any memorandum of understanding that*
16 *require the expenditure of funds shall become effective even if the*
17 *provisions of the memorandum of understanding are approved by*
18 *the Legislature in legislation other than the annual Budget Act.*

19 *SEC. 5. Notwithstanding any provision of law, if the 2010–11*
20 *Budget Act is not enacted prior to the effective date of this act,*
21 *and in the event that a memorandum of understanding goes into*
22 *effect pursuant to the Ralph C. Dills Act (Chapter 10.3*
23 *(commencing with Section 3512) of Division 4 of Title 1 of the*
24 *Government Code) or there is a corresponding adjustment to*
25 *nonrepresented employees consistent with those of related*
26 *classifications and groups of represented employees, the Director*
27 *of Finance shall reduce the necessary items of the General Fund,*
28 *as appropriate, to reflect a reduction in the total amount of up to*
29 *\$49,800,000 and other funds, as appropriate, to reflect a reduction*
30 *in the total amount of up to \$15,100,000 in the annual Budget Act*
31 *and applicable non-Budget Act items via Executive order. Nothing*
32 *in this section shall be construed to change or expand the existing*
33 *ability of the administration to adjust salaries or benefits of*
34 *nonrepresented employees.*

35 *SEC. 6. Section 19829.7 is added to the Government Code, to*
36 *read:*

37 *19829.7. (a) Notwithstanding Section 13340, for the 2010–11*
38 *fiscal year, if the 2010–11 Budget Act is not enacted by July 1,*
39 *2010, for the memoranda of understanding entered into between*
40 *the state employer and State Bargaining Unit 5 (effective July 3,*

1 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective
2 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12
3 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
4 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State
5 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,
6 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,
7 to July 1, 2012, inclusive), there is hereby continuously
8 appropriated to the Controller from the General Fund, unallocated
9 special funds, including, but not limited to, federal funds and
10 unallocated nongovernmental cost funds, and any other fund from
11 which state employees are compensated, the amount necessary for
12 the payment of compensation and employee benefits to state
13 employees covered by the above memoranda of understanding
14 until the 2010–11 Budget Act is enacted. The Controller may
15 expend an amount no greater than necessary to enable the
16 Controller to compensate state employees covered by the above
17 memoranda of understanding for work performed between July 1,
18 2010, of the 2010–11 fiscal year and the enactment of the 2010–11
19 Budget Act.

20 (b) If the memoranda of understanding entered into between
21 the state employer and State Bargaining Unit 5 (effective July 3,
22 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective
23 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12
24 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
25 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State
26 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,
27 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,
28 to July 1, 2012, inclusive) are in effect and approved by the
29 Legislature, the compensation and contribution for employee
30 benefits for state employees represented by these bargaining units
31 shall be at a rate consistent with the applicable memorandum of
32 understanding referenced above.

33 (c) Expenditures related to any warrant drawn pursuant to
34 subdivision (a) are not augmentations to the expenditure authority
35 of a department. Upon enactment of the 2010–11 Budget Act, these
36 expenditures shall be subsumed by the expenditure authority
37 approved in the 2010–11 Budget Act for each affected department.

38 (d) This section shall only apply to an employee covered by the
39 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July
40 3, 2013, inclusive), State Bargaining Unit 8, (effective July 1, 2010,

1 to July 1, 2013, inclusive), State Bargaining Unit 12 (effective July
2 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 16
3 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
4 Unit 18 (effective July 1, 2010, to July 1, 2012, inclusive), and
5 State Bargaining Unit 19 (effective July 1, 2010, to July 1, 2012,
6 inclusive) memoranda of understanding. Notwithstanding Section
7 3517.8, this section shall not apply after the term of the
8 memorandum of understanding expires. For purposes of this
9 section, the memorandum of understanding for State Bargaining
10 Unit 5 expires on July 3, 2013, the memorandum of understanding
11 for State Bargaining Unit 8 expires on July 1, 2013, the
12 memorandum of understanding for State Bargaining Unit 12
13 expires on July 1, 2012, the memorandum of understanding for
14 State Bargaining Unit 16 expires on July 1, 2012, the memorandum
15 of understanding for State Bargaining Unit 18 expires on July 1,
16 2012, and the memorandum of understanding for State Bargaining
17 Unit 19 expires on July 1, 2012.

18 SEC. 7. Section 19829.8 is added to the Government Code, to
19 read:

20 19829.8. (a) Notwithstanding Section 13340, for the 2011–12
21 fiscal year, if the 2011–12 Budget Act is not enacted by July 1,
22 2011, for the memoranda of understanding entered into between
23 the state employer and State Bargaining Unit 5 (effective July 3,
24 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective
25 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12
26 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
27 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State
28 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,
29 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,
30 to July 1, 2012, inclusive), there is hereby continuously
31 appropriated to the Controller from the General Fund, unallocated
32 special funds, including, but not limited to, federal funds and
33 unallocated nongovernmental cost funds, and any other fund from
34 which state employees are compensated, the amount necessary for
35 the payment of compensation and employee benefits to state
36 employees covered by the above memoranda of understanding
37 until the 2011–12 Budget Act is enacted. The Controller may
38 expend an amount no greater than necessary to enable the
39 Controller to compensate state employees covered by the above
40 memoranda of understanding for work performed between July 1,

1 2011, of the 2011–12 fiscal year and the enactment of the 2011–12
2 Budget Act.

3 (b) If the memoranda of understanding entered into between
4 the state employer and State Bargaining Unit 5 (effective July 3,
5 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective
6 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12
7 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
8 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State
9 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,
10 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,
11 to July 1, 2012, inclusive) are in effect and approved by the
12 Legislature, the compensation and contribution for employee
13 benefits for state employees represented by these bargaining units
14 shall be at a rate consistent with the applicable memorandum of
15 understanding referenced above.

16 (c) Expenditures related to any warrant drawn pursuant to
17 subdivision (a) are not augmentations to the expenditure authority
18 of a department. Upon the enactment of the 2011–12 Budget Act,
19 these expenditures shall be subsumed by the expenditure authority
20 approved in the 2010–11 Budget Act for each affected department.

21 (d) This section shall only apply to an employee covered by the
22 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July
23 3, 2013, inclusive), State Bargaining Unit 8 (effective July 1, 2010,
24 to July 1, 2013, inclusive), State Bargaining Unit 12 (effective July
25 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 16
26 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
27 Unit 18 (effective July 1, 2010, to July 1, 2012, inclusive), and
28 State Bargaining Unit 19 (effective July 1, 2010, to July 1, 2012,
29 inclusive) memoranda of understanding. Notwithstanding Section
30 3517.8, this section shall not apply after the term of the
31 memorandum of understanding has expired. For purposes of this
32 section, the memorandum of understanding for State Bargaining
33 Unit 5 expires on July 3, 2013, the memorandum of understanding
34 for State Bargaining Unit 8 expires on July 1, 2013, the
35 memorandum of understanding for State Bargaining Unit 12
36 expires on July 1, 2012, the memorandum of understanding for
37 State Bargaining Unit 16 expires on July 1, 2012, the memorandum
38 of understanding for State Bargaining Unit 18 expires on July 1,
39 2012, and the memorandum of understanding for State Bargaining
40 Unit 19 expires on July 1, 2012.

SEC. 8. *Section 19829.9 is added to the Government Code, to read:*

19829.9. (a) Notwithstanding Section 13340, for the 2012–13 fiscal year, if the 2012–13 Budget Act is not enacted by July 1, 2012, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 3, 2010, to July 3, 2013, inclusive) and State Bargaining Unit 8 (effective July 1, 2010, to July 1, 2013, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the 2012–13 Budget Act is enacted. The Controller may expend an amount no greater than necessary to enable the Controller to compensate state employees covered by the above memoranda of understanding for work performed between July 1, 2012, of the 2012–13 fiscal year and the enactment of the 2012–13 Budget Act.

(b) Notwithstanding Section 13340, solely for the effective period of the following memoranda of understanding, and not including a date beyond the expiration date of the following memoranda of understanding, for the 2012–13 fiscal year, where the 2012–13 Budget Act is not enacted by July 1, 2012, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 12 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012, inclusive), and State Bargaining Unit 19 (effective July 1, 2010, to July 1, 2012, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee benefits to state employees covered by the above memoranda of understanding until the 2012–13 Budget Act is enacted.

(c) If the memoranda of understanding entered into between the state employer and State Bargaining Unit 5 (effective July 3,

1 2010, to July 3, 2013, inclusive), State Bargaining Unit 8 (effective
2 July 1, 2010, to July 1, 2013, inclusive), State Bargaining Unit 12
3 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
4 Unit 16 (effective July 1, 2010, to July 1, 2012, inclusive), State
5 Bargaining Unit 18 (effective July 1, 2010, to July 1, 2012,
6 inclusive), and State Bargaining Unit 19 (effective July 1, 2010,
7 to July 1, 2012, inclusive) are in effect and approved by the
8 Legislature, the compensation and contribution for employee
9 benefits for state employees represented by these bargaining units
10 shall be at a rate consistent with the applicable memorandum of
11 understanding referenced above.

12 (d) Expenditures related to any warrant drawn pursuant to
13 subdivisions (a) and (b) are not augmentations to the expenditure
14 authority of a department. Upon enactment of the 2012–13 Budget
15 Act, these expenditures shall be automatically subsumed by the
16 expenditure authority approved in the 2012–13 Budget Act for
17 each affected department.

18 (e) This section shall only apply to an employee covered by the
19 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July
20 3, 2013, inclusive), State Bargaining Unit 8 (effective July 1, 2010,
21 to July 1, 2013, inclusive), State Bargaining Unit 12 (effective July
22 1, 2010, to July 1, 2012, inclusive), State Bargaining Unit 16
23 (effective July 1, 2010, to July 1, 2012, inclusive), State Bargaining
24 Unit 18 (effective July 1, 2010, to July 1, 2012, inclusive), and
25 State Bargaining Unit 19 (effective July 1, 2010, to July 1, 2012,
26 inclusive) memoranda of understanding. Notwithstanding Section
27 3517.8, this section shall not apply after the term of the
28 memorandum of understanding expires. For purposes of this
29 section, the memorandum of understanding for State Bargaining
30 Unit 5 expires on July 3, 2013, the memorandum of understanding
31 for State Bargaining Unit 8 expires on July 1, 2013, the
32 memorandum of understanding for State Bargaining Unit 12
33 expires on July 1, 2012, the memorandum of understanding for
34 State Bargaining Unit 16 expires on July 1, 2012, the memorandum
35 of understanding for State Bargaining Unit 18 expires on July 1,
36 2012, and the memorandum of understanding for State Bargaining
37 Unit 19 expires on July 1, 2012.

38 SEC. 9. Section 19829.95 is added to the Government Code,
39 to read:

1 19829.95. (a) Notwithstanding Section 13340, solely for the
2 effective period of the following memoranda of understanding,
3 and not including a date beyond the expiration date of the following
4 memoranda of understanding, for the 2013–14 fiscal year, where
5 the 2013–14 Budget Act is not enacted by July 1, 2013, for the
6 memoranda of understanding entered into between the state
7 employer and State Bargaining Unit 5 (effective July 3, 2010, to
8 July 3, 2013, inclusive) and State Bargaining Unit 8 (effective July
9 1, 2010, to July 1, 2013, inclusive), there is hereby continuously
10 appropriated to the Controller from the General Fund, unallocated
11 special funds, including, but not limited to, federal funds and
12 unallocated nongovernmental cost funds, and any other fund from
13 which state employees are compensated, the amount necessary for
14 the payment of compensation and employee benefits to state
15 employees covered by the above memoranda of understanding
16 until the 2013–14 Budget Act is enacted.

17 (b) If the memoranda of understanding entered into between
18 the state employer and State Bargaining Unit 5 (effective July 3,
19 2010, to July 3, 2013, inclusive) and State Bargaining Unit 8
20 (effective July 1, 2010, to July 1, 2013, inclusive) are in effect and
21 approved by the Legislature, the compensation and contribution
22 for employee benefits for state employees represented by these
23 bargaining units shall be at a rate consistent with the applicable
24 memorandum of understanding referenced above.

25 (c) Expenditures related to any warrant drawn pursuant to
26 subdivision (a) are not augmentations to the expenditure authority
27 of a department. Upon the enactment of the 2013–14 Budget Act,
28 these expenditures shall be subsumed by the expenditure authority
29 approved in the 2013–14 Budget Act for each affected department.

30 (d) This section shall only apply to an employee covered by the
31 terms of the State Bargaining Unit 5 (effective July 3, 2010, to July
32 3, 2013, inclusive) and State Bargaining Unit 8 (effective July 1,
33 2010, to July 1, 2013, inclusive) memoranda of understanding.
34 Notwithstanding Section 3517.8, this section shall not apply after
35 the term of the memorandum of understanding expires. For
36 purposes of this section, the memorandum of understanding for
37 State Bargaining Unit 5 expires on July 3, 2013, and the
38 memorandum of understanding for State Bargaining Unit 8 expires
39 on July 1, 2013.

1 *SEC. 10. Section 19999.3 of the Government Code is amended*
2 *to read:*

3 19999.3. (a) The Legislature finds and declares that this chapter
4 is intended to provide an alternate retirement program for new
5 state employees who are members of the Public Employees'
6 Retirement System pursuant to Section 20281.5 and who, during
7 the 24 months of employment following the date they qualify for
8 membership in the system pursuant to that section, do not make
9 contributions into the defined benefit retirement program.

10 (b) The Legislature hereby authorizes the development of a
11 retirement program under the Deferred Compensation Plan, the
12 tax-deferred Savings Plan, or any other acceptable defined
13 contribution plan.

14 (c) The state employees described in subdivision (a) who are
15 employed in positions that are subject to the federal system, as
16 defined in Section 20033, shall contribute to the retirement program
17 5 percent of compensation, as set forth in Part 3 (commencing with
18 Section 20000), in excess of five hundred thirteen dollars (\$513)
19 per month paid *to* that member for service rendered. The state
20 employer shall pick up the contribution, as authorized by Section
21 414(h) of the Internal Revenue Code, and shall deduct the
22 contribution from the employee's compensation. The contributions
23 required by this subdivision shall cease when the state employee
24 begins making contributions to the defined benefit retirement
25 program.

26 (d) State employees hired on or after July 1, 2006, who are
27 represented by State Bargaining Unit 2 and are employed in
28 positions that are subject to the federal system, as defined in
29 Section 20033, shall contribute to the retirement program 6 percent
30 of compensation, as set forth in Part 3 (commencing with Section
31 20000), in excess of five hundred thirteen dollars (\$513) per month
32 paid *to* that member for service rendered. The state employer shall
33 pick up the contribution, as authorized by Section 414 (h) of the
34 Internal Revenue Code, and shall deduct the contribution from the
35 employee's compensation. The contributions required by this
36 subdivision shall cease when the state employee begins making
37 contributions to the defined benefit retirement program.

38 (e) *Beginning with the first pay period following the effective*
39 *date of this subdivision, all state employees who are subject to this*
40 *section shall make contributions required by this section in the*

1 same amount as contributions made by employees in the same
2 employment classifications and state bargaining units who are
3 members subject to Part 3 (commencing with Section 20000) of
4 Division 5 of Title 2. Consistent with the normal rate of
5 contribution for all members identified in this subdivision, the
6 Director of the Department of Personnel Administration may
7 exercise his or her discretion to establish the normal rate of
8 contribution for a related state employee who is excepted from the
9 definition of “state employee” in subdivision (c) of Section 3513,
10 and an officer or employee of the executive branch of state
11 government who is not a member of the civil service.

12 ~~(e)~~

13 (f) (1) “State employees,” as used in this section, include
14 employees, as defined in Section 19815.

15 (2) This section shall not apply to employees of the California
16 State University, the University of California, or the legislative or
17 judicial branch.

18 ~~(f)~~

19 (g) If the retirement program authorized by this section is
20 inconsistent with federal laws or rules or becomes unnecessary
21 under state or federal law, this section shall become inoperative.

22 SEC. 11. Section 20037.14 is added to the Government Code,
23 to read:

24 20037.14. (a) Notwithstanding Sections 20035 and 20037,
25 final compensation for a person who is employed by the state for
26 the first time and becomes a state member of the system on or after
27 October 31, 2010, and is represented by State Bargaining Unit 5
28 or 8, means the highest average annual compensation earnable
29 by the member during the consecutive 36-month period immediately
30 preceding the effective date of his or her retirement, or the date
31 of his or her last separation from state service if earlier, or during
32 any other period of 36 consecutive months during his or her state
33 membership that the member designates on the application for
34 retirement.

35 (b) This section applies to service credit accrued while a member
36 of State Bargaining Unit 5 or 8 or in a class related to State
37 Bargaining Unit 5 or 8 as an employee who is excepted from the
38 definition of “state employee” in subdivision (c) of Section 3513,
39 or an officer or employee of the executive branch of state
40 government who is not a member of the civil service.

1 (c) *This section does not apply to:*

2 (1) *Former state employees previously employed before October*
3 31, 2010, who return to state employment on or after October 31,
4 2010.

5 (2) *State employees hired prior to October 31, 2010, who were*
6 subject to Section 20281.5 during the first 24 months of state
7 employment.

8 (3) *State employees hired prior to October 31, 2010, who*
9 become subject to representation by State Bargaining Unit 5 or 8
10 on or after October 31, 2010.

11 (4) *State employees on an approved leave of absence employed*
12 before October 31, 2010, who return to active employment on or
13 after October 31, 2010.

14 SEC. 12. *Section 20677.6 is added to the Government Code,*
15 to read:

16 20677.6. (a) *Notwithstanding Section 20677.4, effective with*
17 the beginning of the pay period following the effective date of this
18 section, the normal rate of contribution for state miscellaneous or
19 state industrial members who are represented by State Bargaining
20 Units 12, 16, 18, and 19, shall be:

21 (1) *Eleven percent of the compensation in excess of three*
22 hundred seventeen dollars (\$317) per month paid to a member
23 whose service is not included in the federal system.

24 (2) *Ten percent of compensation in excess of five hundred*
25 thirteen dollars (\$513) per month paid to that member whose
26 service has been included in the federal system.

27 (b) *If the provisions of this section are in conflict with the*
28 provisions of a memorandum of understanding reached pursuant
29 to Section 3517.5, the memorandum of understanding shall be
30 controlling without further legislative action, except that if the
31 provisions of a memorandum of understanding require the
32 expenditure of funds, the provisions shall not become effective
33 unless and until approved by the Legislature in the annual Budget
34 Act.

35 (c) *Consistent with the normal rate of contribution for all*
36 members identified in this subdivision, the Director of the
37 Department of Personnel Administration may exercise his or her
38 discretion to establish the normal rate of contribution for a related
39 state employee who is excepted from the definition of “state
40 employee” in subdivision (c) of Section 3513, and an officer or

1 *employee of the executive branch of state government who is not*
2 *a member of the civil service.*

3 *SEC. 13. Section 20677.7 is added to the Government Code,*
4 *to read:*

5 *20677.7. (a) Notwithstanding Section 20677.4, effective with*
6 *the beginning of the September 2010 pay period, the normal rate*
7 *of contribution for state miscellaneous or state industrial members*
8 *who are represented by State Bargaining Units 5 and 8, shall be:*

9 *(1) Eleven percent of the compensation in excess of three*
10 *hundred seventeen dollars (\$317) per month paid to a member*
11 *whose service is not included in the federal system.*

12 *(2) Ten percent of compensation in excess of five hundred*
13 *thirteen dollars (\$513) per month paid to that member whose*
14 *service has been included in the federal system.*

15 *(b) If the provisions of this section are in conflict with the*
16 *provisions of a memorandum of understanding reached pursuant*
17 *to Section 3517.5, the memorandum of understanding shall be*
18 *controlling without further legislative action, except that if the*
19 *provisions of a memorandum of understanding require the*
20 *expenditure of funds, the provisions shall not become effective*
21 *unless and until approved by the Legislature in the annual Budget*
22 *Act.*

23 *(c) Consistent with the normal rate of contribution for all*
24 *members identified in this subdivision, the Director of the*
25 *Department of Personnel Administration may exercise his or her*
26 *discretion to establish the normal rate of contribution for a related*
27 *state employee who is excepted from the definition of “state*
28 *employee” in subdivision (c) of Section 3513, and an officer or*
29 *employee of the executive branch of state government who is not*
30 *a member of the civil service.*

31 *SEC. 14. Section 20677.9 is added to the Government Code,*
32 *to read:*

33 *20677.9. (a) Notwithstanding Section 20683, effective with*
34 *the beginning of the pay period following the effective date of this*
35 *section, the normal rate of contribution for state safety members*
36 *who are represented by State Bargaining Units 12, 16, 18, and 19*
37 *shall be 11 percent of compensation in excess of three hundred*
38 *seventeen dollars (\$317) per month paid to a member whose*
39 *service is not included in the federal system or in excess of five*

1 *hundred thirteen dollars (\$513) for one whose service is included*
2 *in the federal system.*

3 *(b) If the provisions of this section are in conflict with the*
4 *provisions of a memorandum of understanding reached pursuant*
5 *to Section 3517.5, the memorandum of understanding shall be*
6 *controlling without further legislative action, except that if those*
7 *provisions of the memorandum of understanding require the*
8 *expenditure of funds, those provisions shall not become effective*
9 *unless approved by the Legislature in the annual Budget Act.*

10 *(c) Consistent with the normal rate of contribution for all*
11 *members identified in this subdivision, the Director of the*
12 *Department of Personnel Administration may exercise his or her*
13 *discretion to establish the normal rate of contribution for a related*
14 *state employee who is excepted from the definition of “state*
15 *employee” in subdivision (c) of Section 3513, and an officer or*
16 *employee of the executive branch of state government who is not*
17 *a member of the civil service.*

18 *SEC. 15. Section 20677.95 is added to the Government Code,*
19 *to read:*

20 *20677.95. (a) Notwithstanding Section 20687, effective with*
21 *the beginning of the September 2010 pay period, the normal rate*
22 *of contribution for state peace officer/firefighter members who are*
23 *represented by State Bargaining Unit 8 shall be 10 percent of the*
24 *compensation in excess of two hundred thirty-eight dollars (\$238)*
25 *per month paid to those members.*

26 *(b) If the provisions of this section are in conflict with the*
27 *provisions of a memorandum of understanding reached pursuant*
28 *to Section 3517.5 or pursuant to Chapter 12 (commencing with*
29 *Section 3560) of Division 4 of Title 1, the memorandum of*
30 *understanding shall be controlling without further legislative*
31 *action, except that if those provisions of a memorandum of*
32 *understanding require the expenditure of funds, those provisions*
33 *shall not become effective unless approved by the Legislature in*
34 *the annual Budget Act.*

35 *(c) Consistent with the normal rate of contribution for all*
36 *members identified in this subdivision, the Director of the*
37 *Department of Personnel Administration may exercise his or her*
38 *discretion to establish the normal rate of contribution for a related*
39 *state employee who is excepted from the definition of “state*
40 *employee” in subdivision (c) of Section 3513, and an officer or*

employee of the executive branch of state government who is not a member of the civil service.

SEC. 16. Section 21353 of the Government Code is amended to read:

21353. (a) The combined current and prior service pensions for a local miscellaneous member, a school member, a state miscellaneous or state industrial member, or a university member is a pension derived from the contributions of the employer sufficient, when added to the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of retirement, to equal the fraction of one-fiftieth of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding completed quarter year, in the following table, multiplied by the number of years of current and prior service except service in a category of membership other than that of state or state industrial member, local miscellaneous member, school member, or a university member, or service covered under this First Tier retirement formula, with which the member is entitled to be credited at retirement:

Age of Retirement	Fraction
50 .....	.546
50¼ .....	.554
50½ .....	.562
50¾ .....	.570
51 .....	.578
51¼ .....	.586
51½ .....	.595
51¾ .....	.603
52 .....	.612
52¼ .....	.621
52½ .....	.630
52¾ .....	.639
53 .....	.648
53¼ .....	.658
53½ .....	.668
53¾ .....	.678
54 .....	.688
54¼ .....	.698

1	54½ .....	.709
2	54¾ .....	.719
3	55 .....	.730
4	55¼ .....	.741
5	55½ .....	.753
6	55¾ .....	.764
7	56 .....	.776
8	56¼ .....	.788
9	56½ .....	.800
10	56¾ .....	.813
11	57 .....	.825
12	57¼ .....	.839
13	57½ .....	.852
14	57¾ .....	.865
15	58 .....	.879
16	58¼ .....	.893
17	58½ .....	.908
18	58¾ .....	.923
19	59 .....	.937
20	59¼ .....	.953
21	59½ .....	.969
22	59¾ .....	.985
23	60	1.000
24	60¼	1.017
25	60½	1.034
26	60¾	1.050
27	61	1.067
28	61¼	1.084
29	61½	1.101
30	61¾	1.119
31	62	1.136
32	62¼	1.154
33	62½	1.173
34	62¾	1.191
35	63 and over	1.209

36
 37 (b) The fractions specified in the above table shall be reduced
 38 by one-third as applied to that part of final compensation that does
 39 not exceed four hundred dollars (\$400) per month for all service
 40 of a member any of whose service has been included in the federal

1 system. This reduction shall not apply to a member employed by
2 a contracting agency that enters into a contract after July 1, 1971,
3 and elects not to be subject to this paragraph or with respect to
4 service rendered after the termination of coverage under the federal
5 system with respect to the coverage group to which the member
6 belongs.

7 (c) The improved retirement allowance provided by this section
8 is granted subject to future reduction prior to a member's
9 retirement, by offset of federal system benefits or otherwise, as
10 the Legislature may from time to time deem appropriate because
11 of changes in the federal system benefits.

12 (d) With the exception of state miscellaneous members for
13 service rendered for the California State University or the
14 legislative or judicial branch of government, this section shall
15 apply to state miscellaneous and state industrial members who are
16 not employed by the state on or after January 1, 2000.

17 (e) (1) *This section shall apply to a state miscellaneous or*
18 *industrial member who is employed by the state for the first time*
19 *and becomes a state miscellaneous or industrial member of the*
20 *system on or after the first day of the pay period following the*
21 *effective date of the act adding this subdivision, and is represented*
22 *by State Bargaining Unit 12, 16, 18, or 19. With respect to related*
23 *state miscellaneous or industrial members in managerial,*
24 *supervisory, or confidential positions and officers or employees*
25 *of the executive branch of state government who are not members*
26 *of the civil service, the Director of the Department of Personnel*
27 *Administration may exercise his or her discretion whether to*
28 *approve their status in writing to the board.*

29 (2) *This subdivision does not apply to:*

30 (A) *Former state employees previously employed before the*
31 *first day of the pay period following the effective date of this*
32 *subdivision, who return to state employment on or after the first*
33 *day of the pay period following the effective date of this*
34 *subdivision.*

35 (B) *State employees hired prior to the first day of the pay period*
36 *following the effective date of this subdivision, who were subject*
37 *to Section 20281.5 during the first 24 months of state employment.*

38 (C) *State employees hired prior to the first day of the pay period*
39 *following the effective date of this subdivision, who become subject*
40 *to representation by State Bargaining Unit 12, 16, 18, or 19 on or*

1 *after the first day of the pay period following the effective date of*
2 *the act adding this subdivision.*

3 *(D) State employees on an approved leave of absence employed*
4 *before the first day of the pay period following the effective date*
5 *of this subdivision, who return to active employment on or after*
6 *the first day of the pay period following the effective date of the*
7 *act adding this subdivision.*

8 *(f) (1) This section shall apply to a state miscellaneous or*
9 *industrial member who is employed by the state for the first time*
10 *and becomes a state miscellaneous or industrial member of the*
11 *system on or after October 31, 2010, and is represented by State*
12 *Bargaining Unit 5 or 8. With respect to related state miscellaneous*
13 *or industrial members in managerial, supervisory, or confidential*
14 *positions and officers or employees of the executive branch of state*
15 *government who are not members of the civil service, the Director*
16 *of the Department of Personnel Administration may exercise his*
17 *or her discretion whether to approve their status in writing to the*
18 *board.*

19 *(2) This subdivision does not apply to:*

20 *(A) Former state employees previously employed before October*
21 *31, 2010, who return to state employment on or after October 31,*
22 *2010.*

23 *(B) State employees hired prior to October 31, 2010, who were*
24 *subject to Section 20281.5 during the first 24 months of state*
25 *employment.*

26 *(C) State employees hired prior to October 31, 2010, who*
27 *become subject to representation by State Bargaining Unit 5 or 8*
28 *on or after October 31, 2010.*

29 *(D) State employees on an approved leave of absence employed*
30 *before October 1, 2010, who return to active employment on or*
31 *after October 31, 2010.*

32 *SEC. 17. Section 21354.1 of the Government Code is amended*
33 *to read:*

34 21354.1. (a) The combined current and prior service pensions
35 for school members, state miscellaneous or state industrial
36 members, or university members who are subject to the provisions
37 of this section is a pension derived from the contributions of the
38 employer sufficient, when added to the service retirement annuity
39 that is derived from the accumulated normal contributions of the
40 member at the date of retirement, to equal the fraction of

one-fiftieth of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding completed quarter year, in the following table, multiplied by the number of years of current and prior service, except service in a category of membership other than that of a school member, state miscellaneous or state industrial member, or university member or service covered under this retirement formula with which the member is entitled to be credited at retirement:

Age at retirement	Fraction
50	0.550
50¼	0.573
50½	0.595
50¾	0.618
51	0.640
51¼	0.663
51½	0.685
51¾	0.708
52	0.730
52¼	0.753
52½	0.775
52¾	0.798
53	0.820
53¼	0.843
53½	0.865
53¾	0.888
54	0.910
54¼	0.933
54½	0.955
54¾	0.978
55	1.000
55¼	1.008
55½	1.016
55¾	1.024
56	1.032
56¼	1.040
56½	1.048
56¾	1.055
57	1.063

1	57¼	1.071
2	57½	1.079
3	57¾	1.086
4	58	1.094
5	58¼	1.102
6	58½	1.110
7	58¾	1.118
8	59	1.125
9	59¼	1.134
10	59½	1.141
11	59¾	1.149
12	60	1.157
13	60¼	1.165
14	60½	1.173
15	60¾	1.180
16	61	1.188
17	61¼	1.196
18	61½	1.203
19	61¾	1.211
20	62	1.219
21	62¼	1.227
22	62½	1.235
23	62¾	1.243
24	63 and over	1.250

25

26 (b) The fraction specified in the above table shall be reduced
 27 by one-third as applied to that part of final compensation that does
 28 not exceed four hundred dollars (\$400) per month for all service
 29 of a member any of whose service has been included in the federal
 30 system. This subdivision shall not apply to school members whose
 31 service is included in the federal system with respect to service
 32 performed on or after January 1, 2001.

33 (c) This section shall supersede Section 21353 for all school
 34 members, all university members, and all state miscellaneous
 35 members, with respect to service rendered for the California State
 36 University or the legislative or judicial branch of government, who
 37 retire on or after January 1, 2000.

38 (d) This section shall also supersede Section 21353 for state
 39 miscellaneous or state industrial members, for service not subject
 40 to subdivision (c), who are employed by the state on or after

1 January 1, 2000, and who do not elect under Section 21070.5 to
2 be subject to Second Tier benefits.

3 (e) Operation and application of this section are subject to the
4 limitations set forth in Section 21251.13.

5 (f) *Notwithstanding any other provision of this section, this*
6 *section shall not apply to a state miscellaneous or industrial*
7 *member who is employed by the state for the first time and becomes*
8 *a state miscellaneous or industrial member of the system on or*
9 *after the first day of the pay period following the effective date of*
10 *the act adding this subdivision, and is represented by State*
11 *Bargaining Unit 12, 16, 18, or 19. With respect to related state*
12 *miscellaneous or industrial members in managerial, supervisory,*
13 *or confidential positions and officers or employees of the executive*
14 *branch of state government who are not members of the civil*
15 *service, the Director of the Department of Personnel*
16 *Administration may exercise his or her discretion whether to*
17 *approve their status in writing to the board.*

18 (g) *Notwithstanding any other provision of this section, this*
19 *section shall not apply to a state miscellaneous or industrial*
20 *member who is employed by the state for the first time and becomes*
21 *a state miscellaneous or industrial member of the system on or*
22 *after October 31, 2010, and is represented by State Bargaining*
23 *Unit 5 or 8. With respect to related state miscellaneous or*
24 *industrial members in managerial, supervisory, or confidential*
25 *positions and officers or employees of the executive branch of state*
26 *government who are not members of the civil service, the Director*
27 *of the Department of Personnel Administration may exercise his*
28 *or her discretion whether to approve their status in writing to the*
29 *board.*

30 SEC. 18. *Section 21363.1 of the Government Code is amended*
31 *to read:*

32 21363.1. (a) The combined current and prior service pensions
33 for state peace officer/firefighter members subject to this section
34 with respect to state peace officer/firefighter service, and for local
35 safety members with respect to local safety service rendered to a
36 contracting agency that is subject to this section, is a pension
37 derived from the contributions of the employer sufficient when
38 added to the service retirement annuity that is derived from the
39 accumulated normal contributions of the state peace
40 officer/firefighter member or local safety member at the date of

his or her retirement to equal the fraction of 3 percent of his or her final compensation set forth opposite his or her age at retirement taken to the preceding completed quarter year, in the following table, multiplied by the number of years of state peace officer/firefighter service or local safety service subject to this section with which he or she is credited at retirement:

Age at Retirement	Fraction
50 .....	.800
50 $\frac{1}{4}$ .....	.810
50 $\frac{1}{2}$ .....	.820
50 $\frac{3}{4}$ .....	.830
51 .....	.840
51 $\frac{1}{4}$ .....	.850
51 $\frac{1}{2}$ .....	.860
51 $\frac{3}{4}$ .....	.870
52 .....	.880
52 $\frac{1}{4}$ .....	.890
52 $\frac{1}{2}$ .....	.900
52 $\frac{3}{4}$ .....	.910
53 .....	.920
53 $\frac{1}{4}$ .....	.930
53 $\frac{1}{2}$ .....	.940
53 $\frac{3}{4}$ .....	.950
54 .....	.960
54 $\frac{1}{4}$ .....	.970
54 $\frac{1}{2}$ .....	.980
54 $\frac{3}{4}$ .....	.990
55 and over	1.000

(b) In no event shall the current service pension and the combined current and prior service pensions under this section for all service to all employers exceed an amount that, when added to the service retirement annuity related to that service, equals 85 percent of final compensation. For state peace officer/firefighter members with respect to service for all state employers under this section, the benefit shall not exceed 90 percent of final compensation. If the pension relates to service to more than one employer and would otherwise exceed that maximum, the pension

1 payable with respect to each employer shall be reduced in the same
2 proportion as the allowance based on service to that employer
3 bears to the total allowance computed as though there were no
4 limit, so that the total of the pensions shall equal the maximum.
5 Where a state or local member has service under this section with
6 both state and local agency employers, the higher maximum shall
7 apply and the additional benefit shall be funded by increasing the
8 member's pension payable with respect to the employer for whom
9 the member performed the service subject to the higher maximum.

10 (c) This section shall supersede Section 21363 for state peace
11 officer/firefighter members with respect to service rendered for
12 the California State University or the legislative or judicial branch
13 of government.

14 (d) This section shall also supersede Section 21363 for state
15 peace officer/firefighter members, for service not subject to
16 subdivision (c), who are employed by the state on or after January
17 1, 2000.

18 (e) This section shall not apply to any contracting agency nor
19 its employees unless and until the agency elects to be subject to
20 the provisions of this section by amendment to its contract made
21 in the manner prescribed for approval of contracts or, in the case
22 of contracts made after the date this section becomes operative,
23 by express provision in the contract making the contracting agency
24 subject to this section. The operative date of this section for a local
25 safety member shall be the effective date of the amendment to his
26 or her employer's contract electing to be subject to this section.

27 (f) This section shall supersede Section 21363, 21366, 21368,
28 21369, or 21370, whichever is then applicable, with respect to
29 local safety members who retire after the date this section becomes
30 applicable to their respective employers.

31 (g) The Legislature reserves, with respect to any member subject
32 to this section, the right to provide for the adjustment of industrial
33 disability retirement allowances because of earnings of a retired
34 person and modification of the conditions and qualifications
35 required for retirement for disability as it may find appropriate
36 because of the earlier age of service retirement made possible by
37 the benefits under this section.

38 (h) The Legislature reserves the right to subsequently modify
39 or amend this part in order to completely effectuate the intent and
40 purposes of this section and the right to not provide any new

1 comparable advantages if disadvantages to employees result from
2 any modification or amendment.

3 (i) Operation and application of this section are subject to the
4 limitations set forth in Section 21251.13.

5 (j) *This section shall apply to a state patrol member who is*
6 *employed by the state for the first time and becomes a state patrol*
7 *member of the system on or after October 31, 2010, and is*
8 *represented by State Bargaining Unit 5. With respect to related*
9 *state patrol members in managerial, supervisory, or confidential*
10 *positions and officers or employees of the executive branch of state*
11 *government who are not members of the civil service, the Director*
12 *of the Department of Personnel Administration may exercise his*
13 *or her discretion whether to approve their status in writing to the*
14 *board.*

15 (k) *This section shall apply to a state peace officer/firefighter*
16 *member who is employed by the state for the first time and becomes*
17 *a state peace officer/firefighter member of the system on or after*
18 *October 31, 2010, and is represented by State Bargaining Unit 8.*
19 *With respect to related state peace officer/firefighter members in*
20 *managerial, supervisory, or confidential positions and officers or*
21 *employees of the executive branch of state government who are*
22 *not members of the civil service, the Director of the Department*
23 *of Personnel Administration may exercise his or her discretion*
24 *whether to approve their status in writing to the board.*

25 (l) Subdivisions (j) and (k) do not apply to:

26 (1) *Former state employees previously employed before October*
27 *31, 2010, who return to state employment on or after October 31,*
28 *2010.*

29 (2) *State employees hired prior to October 31, 2010, who were*
30 *subject to Section 20281.5 during the first 24 months of state*
31 *employment.*

32 (3) *State employees hired prior to October 31, 2010, who*
33 *become subject to representation by State Bargaining Unit 5 or 8*
34 *on or after October 31, 2010.*

35 (4) *State employees on an approved leave of absence employed*
36 *before October 31, 2010, who return to active employment on or*
37 *after October 31, 2010.*

38 SEC. 19. Section 21363.4 of the Government Code is amended
39 to read:

1 21363.4. (a) Upon attaining the age of 50 years or more, the
2 combined current and prior service pension for a state peace
3 officer/firefighter member described in subdivision (c) who retires
4 or dies on or after January 1, 2006, is a pension derived from the
5 contributions of the employer sufficient when added to the service
6 retirement annuity that is derived from the accumulated normal
7 contributions of the member at the date of his or her retirement to
8 equal 3 percent of his or her final compensation at retirement,
9 multiplied by the number of years of state peace officer/firefighter
10 service, as defined in subdivision (d), subject to this section with
11 which he or she is credited at retirement.

12 (b) For state peace officer/firefighter members, with respect to
13 service for all state employers under this section, the current service
14 pension and the combined current and prior service pension under
15 this section shall not exceed an amount that, when added to the
16 service retirement annuity related to that service, equals 90 percent
17 of final compensation. If the pension relates to service to more
18 than one employer and would otherwise exceed that maximum,
19 the pension payable with respect to each employer shall be reduced
20 in the same proportion as the allowance based on service to that
21 employer bears to the total allowance computed as though there
22 were no limit, so that the total of the pensions shall equal the
23 maximum.

24 (c) For purposes of this section, “state peace officer/firefighter
25 member” means state peace officer/firefighter members under this
26 part who, on or after January 1, 2006, are employed by the state
27 and are members of State Bargaining Unit 6 or State Bargaining
28 Unit 8, and may include state peace officer/firefighter members
29 in related managerial, supervisory, or confidential positions and
30 officers or employees of the executive branch of state government
31 who are not members of the civil service, provided the Department
32 of Personnel Administration has approved their inclusion in writing
33 to the board.

34 (d) For purposes of this section, “state peace officer/firefighter
35 service” means service performed by a state peace
36 officer/firefighter member while a member of State Bargaining
37 Unit 6 or State Bargaining Unit 8, and may include state peace
38 officer/firefighter service in related managerial, supervisory, or
39 confidential positions or as officers or employees of the executive
40 branch of state government who are not members of the civil

1 service, provided the Department of Personnel Administration has
2 approved their inclusion in writing to the board.

3 (e) This section shall supersede Section 21363 or 21363.1,
4 whichever is applicable, with respect to state peace
5 officer/firefighter members and service as defined herein.

6 (f) The Legislature reserves, with respect to any member subject
7 to this section, the right to provide for the adjustment of industrial
8 disability retirement allowances because of earnings of a retired
9 person and modification of the conditions and qualifications
10 required for retirement for disability as it may find appropriate
11 because of the earlier ages of service retirement made possible by
12 the benefits under this section.

13 (g) *Notwithstanding any other provision of this section, this*
14 *section shall not apply to a state peace officer/firefighter member*
15 *who is employed by the state for the first time and becomes a state*
16 *peace officer/firefighter member of the system on or after October*
17 *31, 2010, and is represented by State Bargaining Unit 8. With*
18 *respect to related state peace officer/firefighter members in*
19 *managerial, supervisory, or confidential positions and officers or*
20 *employees of the executive branch of state government who are*
21 *not members of the civil service, the Director of the Department*
22 *of Personnel Administration may exercise his or her discretion*
23 *whether to approve their status in writing to the board.*

24 SEC. 20. *Section 21369.1 of the Government Code is amended*
25 *to read:*

26 21369.1. (a) The combined current and prior service pensions
27 for state safety members subject to this section with respect to state
28 safety service that is subject to this section is a pension derived
29 from the contributions of the employer sufficient when added to
30 the service retirement annuity that is derived from the accumulated
31 normal contributions of the state safety member at the date of his
32 or her retirement to equal the fraction of one-fiftieth of his or her
33 final compensation set forth opposite his or her age at retirement
34 taken to the preceding completed quarter year, in the following
35 table, multiplied by the number of years of state safety service
36 subject to this section with which he or she is credited at retirement.

Age at	Fraction
Retirement	
50	0.8500

1	50¼	0.8625
2	50½	0.8750
3	50¾	0.8875
4	51	0.9000
5	51¼	0.9125
6	51½	0.9250
7	51¾	0.9375
8	52	0.9500
9	52¼	0.9625
10	52½	0.9750
11	52¾	0.9875
12	53	1.0000
13	53¼	1.0320
14	53½	1.0630
15	53¾	1.0940
16	54	1.1250
17	54¼	1.1570
18	54½	1.1880
19	54¾	1.2190
20	55 and over	1.2500

21

22 (b) For state safety members with respect to service for all state
 23 employers under this section, the benefit shall not exceed 80
 24 percent of final compensation. If the pension relates to service to
 25 more than one employer, and would otherwise exceed that
 26 maximum, the pension payable with respect to each employer shall
 27 be reduced in the same proportion as the allowance based on
 28 service to that employer bears to the total allowance computed as
 29 though there were no limit, so that the total of the pensions shall
 30 equal the maximum.

31 (c) This section shall supersede Section 21369 for state safety
 32 members with respect to service rendered for the California State
 33 University.

34 (d) This section shall also supersede Section 21369 for state
 35 safety members, for service not subject to subdivision (c), who are
 36 employed by the state on or after January 1, 2000.

37 (e) The Legislature reserves, with respect to any member subject
 38 to this section, the right to provide for the adjustment of industrial
 39 disability retirement allowances because of earnings of a retired
 40 person and modification of the conditions and qualifications

1 required for retirement for disability as it may find appropriate
2 because of the earlier age of service retirement made possible by
3 the benefits under this section.

4 (f) The Legislature reserves the right to subsequently modify
5 or amend this part in order to completely effectuate the intent and
6 purposes of this section and the right to not provide any new
7 comparable advantages if disadvantages to employees result from
8 any modification or amendment.

9 (g) Operation and application of this section are subject to the
10 limitations set forth in Section 21251.13.

11 (h) *Notwithstanding any other provision of this section, this*
12 *section shall not apply to a state safety member who is employed*
13 *by the state for the first time and becomes a state safety member*
14 *of the system on or after the first day of the pay period following*
15 *the effective date of the act adding this subdivision, and is*
16 *represented by State Bargaining Unit 12, 16, 18, or 19. With*
17 *respect to related state safety members in managerial, supervisory,*
18 *or confidential positions and officers or employees of the executive*
19 *branch of state government who are not members of the civil*
20 *service, the Director of the Department of Personnel*
21 *Administration may exercise his or her discretion whether to*
22 *approve their status in writing to the board.*

23 SEC. 21. Section 21369.2 is added to the Government Code,
24 to read:

25 21369.2. (a) *The combined prior and current service pension*
26 *for a state safety member, upon retirement after attaining the age*
27 *of 55 years, is a pension derived from contributions of an employer*
28 *sufficient, when added to that portion of the service retirement*
29 *annuity that is derived from the accumulated normal contributions*
30 *of the member at the date of his or her retirement, to equal*
31 *one-fiftieth of his or her final compensation multiplied by the*
32 *number of years of state safety, that is credited to him or her as a*
33 *state safety member subject to this section at retirement.*

34 (b) *Upon retirement for service prior to attaining the age of 55*
35 *years, the percentage of final compensation payable for each year*
36 *of credited service that is subject to this section shall be the product*
37 *of 2 percent multiplied by the factor set forth in the following table*
38 *for his or her actual age at retirement:*

39
40 Age at

	<i>Retirement</i>	<i>Fraction</i>
1		
2	50	0.713
3	50¼.....	0.725
4	50½.....	0.737
5	50¾.....	0.749
6	51	0.761
7	51¼.....	0.775
8	51½.....	0.788
9	51¾.....	0.801
10	52	0.814
11	52¼.....	0.828
12	52½.....	0.843
13	52¾.....	0.857
14	53	0.871
15	53¼.....	0.886
16	53½.....	0.902
17	53¾.....	0.917
18	54	0.933
19	54¼.....	0.950
20	54½.....	0.966
21	54¾.....	0.983
22	55	1.0000
23	55¼.....	1.0125
24	55½.....	1.0250
25	55¾.....	1.0375
26	56	1.0500
27	56¼.....	1.0625
28	56½.....	1.0750
29	56¾.....	1.0875
30	57	1.1000
31	57¼.....	1.1125
32	57½.....	1.1250
33	57¾.....	1.1375
34	58	1.1500
35	58¼.....	1.1625
36	58½.....	1.1750
37	58¾.....	1.1875
38	59	1.2000
39	59¼.....	1.2125
40	59½.....	1.2250

1	59¾.....	1.2375
2	60 and over	1.2500

3
 4 (c) In no event shall the total pension for all service under this
 5 section exceed an amount that, when added to the service
 6 retirement annuity related to that service, equals 80 percent of
 7 final compensation. If the pension relates to service to more than
 8 one employer and would otherwise exceed that maximum, the
 9 pension payable with respect to each employer shall be reduced
 10 in the same proportion as the allowance based on service to that
 11 employer bears to the total allowance computed as though there
 12 were no limit, so that the total of those pensions shall equal the
 13 maximum. Where a state member has service under this section
 14 with both state and local agency employers, the higher maximum
 15 shall apply and the additional benefit shall be funded by increasing
 16 the member's pension payable with respect to the employer for
 17 whom the member performed the service subject to the higher
 18 maximum.

19 (d) The Legislature reserves, with respect to any member subject
 20 to this section, the right to provide for the adjustment of industrial
 21 disability retirement allowances because of earnings of a retired
 22 person and modification of the conditions and qualifications
 23 required for retirement for disability as it may find appropriate
 24 because of the earlier age of service retirement made possible by
 25 the benefits under this section.

26 (e) This section shall apply to a state safety member who is
 27 employed by the state for the first time and becomes a state safety
 28 member of the system on or after the first day of the pay period
 29 following the effective date of this section, and is represented by
 30 State Bargaining Unit 12, 16, 18, or 19. With respect to related
 31 state safety members in managerial, supervisory, or confidential
 32 positions and officers or employees of the executive branch of state
 33 government who are not members of the civil service, the Director
 34 of the Department of Personnel Administration may exercise his
 35 or her discretion whether to approve their status in writing to the
 36 board.

37 (f) This section does not apply to:

38 (1) Former state employees previously employed before the first
 39 day of the pay period following the effective date of this
 40 subdivision, who return to state employment on or after the first

1 day of the pay period following the effective date of this
2 subdivision.

3 (2) State employees hired prior to the first day of the pay period
4 following the effective date of this subdivision, who were subject
5 to Section 20281.5 during the first 24 months of state employment.

6 (3) State employees hired prior to the first day of the pay period
7 following the effective date of this subdivision, who become subject
8 to representation by State Bargaining Unit 12, 16, 18, or 19 on or
9 after the first day of the pay period following the effective date of
10 this subdivision.

11 (4) State employees on an approved leave of absence employed
12 before the first day of the pay period following the effective date
13 of this subdivision, who return to active employment on or after
14 the first day of the pay period following the effective date of this
15 subdivision.

16 SEC. 22. This bill shall become operative only if Senate Bill
17 653 of the 2009–10 Regular Session is enacted and takes effect on
18 or before January 1, 2011.

19 SEC. 23. This act is an urgency statute necessary for the
20 immediate preservation of the public peace, health, or safety within
21 the meaning of Article IV of the Constitution and shall go into
22 immediate effect. The facts constituting the necessity are:

23 In order for the provisions of this act to be applicable as soon
24 as possible for the 2010–11 fiscal year, and thereby facilitate the
25 orderly administration of state government at the earliest time
26 possible, it is necessary that this act take effect immediately.

27 ~~SECTION 1. The Legislature finds and declares that the~~
28 ~~purpose of this act is to approve an agreement pursuant to Section~~
29 ~~3517.5 of the Government Code entered into by the state employer~~
30 ~~and State Bargaining Unit 19.~~

31 ~~SEC. 2. The provisions of the memorandum of understanding~~
32 ~~prepared pursuant to Section 3517.5 of the Government Code and~~
33 ~~entered into by the state employer and State Bargaining Unit 19~~
34 ~~that require the expenditure of funds are hereby approved for the~~
35 ~~purposes of subdivision (b) of Section 3517.6 of the Government~~
36 ~~Code.~~

37 ~~SEC. 3. The provisions of the memorandum of understanding~~
38 ~~approved by Section 2 of this act that require the expenditure of~~
39 ~~funds shall not take effect unless funds for these provisions are~~
40 ~~specifically appropriated by the Legislature. If funds for these~~

1 provisions are not specifically appropriated by the Legislature, the
2 state employer and the affected employee organization shall meet
3 and confer to renegotiate the affected provisions.

4 ~~SEC. 4. Notwithstanding Section 3517.6 of the Government~~
5 ~~Code, the provisions of the memorandum of understanding~~
6 ~~included in Section 2 that require the expenditure of funds shall~~
7 ~~become effective even if the provisions of the memorandum of~~
8 ~~understanding are approved by the Legislature in legislation other~~
9 ~~than the annual Budget Act.~~

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